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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION
DOCKET CONTROL

COMMISSIONERS:

KRISTIN K. MAYES, Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

IN THE MATTER OF:

JOHN W. PACHECO and ANGELA PACHECO,
husband and wife;

BILL L. WALTERS and JACQUELYN WALTERS,
husband and wife;

FINANCIAL AMERICAN CORPORATION, a
Nevada corporation;

THE FINANCIAL AMERICAN GROUP, LLC, a
Delaware limited liability company;

AMERICAN APARTMENT FUND XI, LP, a
Delaware limited partnership.

Respondents.

DOCKET NO. S-20688A-09-0326

Arizona Corporation Commission

DOCKETED

SEP 28 2009

DOCKETED BY

PROCEDURAL ORDER

BY THE COMMISSION:

On June 26, 2009, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing ("Notice") against John W. Pacheco and Angela Pacheco, husband and wife; Bill L. Walters and Jacquelyn Walters, husband and wife; Financial American Corporation, a Nevada corporation; The Financial American Group, LLC, a Delaware limited liability company; and American Apartment Fund Xi, LP, a Delaware limited partnership, in which the Division alleged multiple violations of the Arizona Securities Act ("Act") in connection with the offer and sale of securities in the form of investment contracts.

Respondents John W. Pacheco, Angela Pacheco, Financial American Corporation, The Financial American Group, LLC and American Apartment Fund XI, LP ("Respondents") were duly served with a copy of the Notice.

On July 10, 2009, a request for hearing was filed by the Respondents.

1 On July 24, 2009, the Respondents filed their Answer.

2 On July 27, 2009, by Procedural Order, a pre-hearing conference was scheduled for
3 September 3, 2009.

4 On September 3, 2009, at the pre-hearing conference, the Division and Respondents appeared
5 with counsel. Issues concerning the case were discussed along with future scheduling matters.
6 Counsel agreed to conduct discovery and to the scheduling of a hearing. Pursuant to the discussion at
7 the pre-hearing conference, the Division provided its preliminary witness list to the Respondents.

8 Accordingly, additional deadlines and a hearing should be scheduled.

9 IT IS FURTHER ORDERED that a **hearing** shall be held on **February 22, 2010 at 10:00**
10 **a.m.**, or as soon thereafter as practicable, at the Commission's offices, 1200 West Washington Street,
11 Hearing Room #1, Phoenix, Arizona.

12 IT IS FURTHER ORDERED that the parties shall also set aside **February 23, 24, 25 & 26,**
13 **2010, for additional days of hearing, if necessary.**

14 IT IS FURTHER ORDERED that the **Division** shall provide **copies of its Exhibits to**
15 **Respondents by October 5, 2009**, with courtesy copies provided to the presiding Administrative
16 Law Judge.

17 IT IS FURTHER ORDERED that the **Respondents shall provide copies of their Witness**
18 **Lists and copies of their Exhibits to Division by December 7, 2009**, with courtesy copies provided
19 to the presiding Administrative Law Judge.

20 IT IS FURTHER ORDERED that the **Division and Respondents shall any stipulations as**
21 **to testimony or exhibits no later than February 5, 2010.**

22 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized
23 Communications) applies to this proceeding as the matter is now set for public hearing

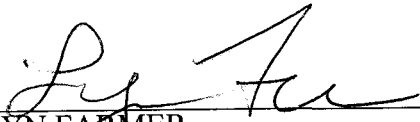
24 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules
25 of the Arizona Supreme Court and A.R.S. § 40-243 with respect to practice of law and admission *pro*
26 *hac vice*.

27 ...

28 ...

1 IT IS FURTHER ORDERED that the presiding Administrative Law Judge may rescind, alter,
2 amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by
3 ruling at hearing.

4 DATED this 28th day of September, 2009.

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7 
8 LYN FARMER
CHIEF ADMINISTRATIVE LAW JUDGE

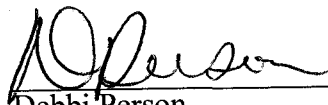
9 Copies of the foregoing mailed/delivered
10 this 28th day of September, 2009 to:

11 Brian J. Schulman
12 GREENBERG TRAUGIG, LLP
13 2375 E. Camelback Rd., Suite 700
Phoenix, AZ 85016
Attorney for Respondents

14 Matt Neubert, Director
15 Securities Division
16 ARIZONA CORPORATION COMMISSION
1300 West Washington Street
Phoenix, AZ 85007

17 ARIZONA REPORTING SERVICE, INC.
18 2200 North Central Avenue, Suite 502
Phoenix, AZ 85004

19 By:

20 
21 Debbi Person
22 Assistant to Lyn Farmer
23
24
25
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27
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